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Central Intelligence Agency
Washington, D.C. 20505
Executive Registry
86-2146

14 May 1986

Executive Director

NOTE FOR:

Acting Chief, Economics
Division, OGI

STAT

Dan:

Thanks for getting back to me and for the articles you sent along. I read the first one yesterday and will complete the others this weekend. I learned one thing--nobody has any magic way to do what I want to do, except in the monetary sense, as you suggest. I've contacts at RAND and will pursue your idea a bit.

Again, my appreciation to you for your effort.

STAT



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86-2110X

12 May 1986

MEMORANDUM FOR: Executive Director

FROM:

 Acting Chief, Economics Division, OGI

STAT

SUBJECT: Your Request for Information on Capital
Budgeting

1. I apologize for the delay in getting back on your request for "methodologies" employed in making investment decisions. Unfortunately, there does not appear to be much that is applicable. Most private sector approaches, for instance, assume a monetary return to the investment and a weighing of these expected monetary returns against the monetary costs. We can weigh the costs; a weighing of returns is more difficult.

2. Two positive thoughts, however. It seems that an organization like RAND must have to go through a similar process. Perhaps some discussions with them might be fruitful. Alternatively, some of the public choice work such as done at George Mason University might have something to offer.

 STAT

Attachments:

Handbook of Financial Planning and Control, p. 79-97
Handbook on Business Problem Solving, p. I-89-I-109



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